

August 3, 2004

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

RE: Proposed Amendments Regulation DD
Docket No. R-1197

To whom it may concern:

As it relates to the proposed amendments to Regulation DD concerning overdraft protection services, we would submit the following comments on behalf of Integra Bank, N.A.

I. **Disclosure Concerning Overdraft Fees Generally.**

- A. Periodic Statements. Proposed amendments would require institutions to disclose overdraft fees or returned-item fees on periodic statements on an aggregate basis for the statement period and calendar year to date. It is our belief that including overdraft and/or returned-item fees on the statement year to date is excessive. We would not be opposed to listing these fees on an aggregate basis for the specific statement period in question. The consumer must be held to some degree of personal responsibility to track the use and impact of incurring these type fees. Furthermore, disclosure should be made to the consumer as to how the institution processes deposits and payments (i.e. deposits vs. checks, electronic vs. paper, largest dollar amount vs. smallest). This disclosure will help ensure the consumer has a clear understanding of the institutions process so that the consumer is never in a position to not know why a certain payment caused an overdraft.
- B. Account Opening Disclosures. Proposed amendments would require institutions to state in its account opening disclosures the type of transactions for which an overdraft protection fee may be imposed. Disclosure must indicate whether a fee may be imposed in connection with checks, ATM withdrawals, or other electronic fund transfers that overdraw the account. We concur that a statement should be included in the disclosure referencing whether fees apply to checks, ATM withdrawals or other electronic fund transfers, or all or combination thereof. The overdraft program should be fully disclosed to the consumer at the time it is activated, advising the consumer of what type of transactions will incur the fee in the event of an overdraft.

II. **Additional Protections for Accounts with certain Overdraft Protection Services (Bounced-Check Protection).**

- A. Additional Advertising Disclosures. Proposed amendments would require disclosures in advertisements for automated overdraft payment services. To distinguish from a traditional line of credit, advertisements would be required to disclose 1) the fee for the payment of each overdraft item; 2) the types of transactions covered; 3) the amount of time the consumer has to pay or cover any overdraft; and 4) the circumstances under which the institution would not pay on an overdraft. We agree that additional disclosures in advertisements for automated overdraft payment services should be required. It is our belief that the consumer should be completely and adequately informed. This aside, it is

also our opinion that the circumstances under which the institution would not pay an overdraft should not be the disclosure given. Doing so gives the consumer the impression that overdraft services will be provided for all other circumstances except those listed. This could further encourage the use of such services. We believe that the consumer should be informed that all overdrafts will be returned NSF. The consumer would be further informed that the institution realizes that occasionally an inadvertent mistake will be made that causes an overdraft, and the institution at its discretion may make an accommodation for the customer. This allows the institution to protect the customer from the consequences of an inadvertent mistake while not encouraging the use of overdraft services.

- B. Prohibiting Misleading Advertisements. Regulation DD would be revised to apply TISA's prohibition against misrepresentations and misleading advertisements to communications with consumers about their existing accounts, to cover institutions' marketing of deposit-related services, including bounced check protection services. We are in agreement with the proposed amendment to cover existing accounts as it relates to misleading advertising. It is our opinion that any advertising should be clear and concise and not mislead the consumer, whether that be prospective or current accounts.

Respectfully submitted,

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